



U.S. Department
Of Transportation
Pipeline and
Hazardous Materials
Safety Administration

820 Bear Tavern Road, Suite 306
West Trenton, NJ 08628
609.989.2171

NOTICE OF AMENDMENT

EXPRESS OVERNIGHT DELIVERY

April 5, 2010

Mr. Randy Barnard
Vice President
Operations And Gas Control
Williams Gas Pipeline
2800 Post Oak Boulevard
Houston, Texas 77056

CPF 1-2010-3001M

Dear Mr. Barnard:

On July 21 to July 25, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code conducted an inspection on Williams/Transco's Carlstadt, NJ LNG facility.

On the basis of the inspection, PHMSA has identified the apparent inadequacies of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations found within Williams/Transco plans or procedures, as described below:

1. §193.2513 Transfer procedures.

(b) The transfer procedures must include provisions for personnel to:

(4) When making bulk transfer of LNG into a partially filled (excluding cool down heel) container, determine any differences in temperature or specific gravity between the LNG being transferred and the LNG already in the container and, if necessary, provide a means to prevent rollover due to stratification.

William's Operations and Maintenance Plan (O&M) procedures do not address conditions when making bulk transfer of LNG into partially filled (excluding cool down heel) containers. O&M procedures must address the actions that take into account differences in temperature or specific

gravity between the LNG being transferred and the LNG already in the container and, if necessary, provide a means to prevent rollover due to stratification.

2. §193.2513 Transfer procedures.

(c) (1) Be in constant attendance during all cargo transfer operations;

William's Operations and Maintenance Plan (O&M) procedures do not address that personnel must be in constant attendance during all cargo transfer operations.

3. §193.2711 Personnel health.

Each operator shall follow a written plan to verify that personnel assigned operating, maintenance, security, or fire protection duties at the LNG plant do not have any physical condition that would impair performance of their assigned duties. The plan must be designed to detect both readily observable disorders, such as physical handicaps or injury, and conditions requiring professional examination for discovery.

William's Health Plans & Procedures are not comprehensive. The plan does not list doctors. A five year employee health re-evaluation is too long. The plan does not list the various job descriptions for which the MRO is to evaluate employees. The plan does not address what happens if an employee has impairment and/or does not meet the standards that should be reflected in the plan.

4. §193.2715 Training, security.

(a) Personnel responsible for security at an LNG plant must be trained in accordance with a written plan of initial instruction to:

- (1) Recognize breaches of security;**
 - (2) Carry out the security procedures under §193.2903 that relate to their assigned duties;**
 - (3) Be familiar with basic plant operations and emergency procedures, as necessary to effectively perform their assigned duties; and,**
 - (4) Recognize conditions where security assistance is needed.**
- (b) A written plan of continuing instruction must be conducted at intervals of not more than 2 years to keep all personnel having security duties current on the knowledge and skills they gained in the program of initial instruction.**

William's Security Plans & Procedures are inadequate in that they are not based on a written plan according to §193.2715 and §193.2903. At the time of the inspection, the operator verbalized that all employees act as security personnel. Security training must be based on a written plan.

5. §193.2801 Fire Protections: Scope.

Each operator must provide and maintain fire protection at LNG plants according to sections 9.1 through 9.7 and section 9.9 of NFPA 59A (incorporated by reference, see Sec. 193.2013). However, LNG plants existing on March 31, 2000, need not comply with provisions on emergency shutdown systems, water delivery systems, detection systems, and personnel qualification and training until September 12, 2005.

NFPA 59A Section 9.9

9.2.2 If equipment shutdown will introduce an additional hazard or result in substantial mechanical damage to equipment, the shutdown of such equipment or its auxiliaries shall be permitted to be omitted from the ESD system provided that the effects of the continued release of flammable or combustible fluids are controlled.

9.7.4 At least three portable flammable gas indicators shall be readily available.

9.9.1 Manual emergency depressurizing means shall be provided where necessary for safety. Portions of the plant that can be isolated from storage tanks or other sources of supply can be depressurized by venting to the atmosphere. The discharge shall be directed so as to minimize exposure to personnel or equipment.

William's Security Plans & Procedures are inadequate in that the O&M does not address the following from NFPA 59A. Specifically:

- The plan does not address additional hazards as a result of shutting down equipment as required by NFPA 59A Section 9.2.2.
- The O&M procedures states that two (2) gas detectors are to be available whereas NFPA 59A Section 9.7.4 requires that three (3) gas detectors shall be readily available.
- The plan does not include procedures how to manually depressurize portions of the plant as required by NFPA 59A Section 9.9.1.

6. §193.2903 Security procedures.

(e) Methods for determining which persons are allowed access to the LNG plant;

William's Security Plans & Procedures are inadequate in that they do not address methods for determining which persons are allowed access to the LNG plant.

7. §193.2509 Emergency procedures.

(b) To adequately handle each type of emergency identified under paragraph (a) of this section and each fire emergency, each operator must follow one or more manuals of written procedures. The procedures must provide for the following:

(3) Coordinating with appropriate local officials in preparation of an emergency evacuation plan, which sets forth the steps required to protect the public in the event of an emergency, including catastrophic failure of an LNG storage tank.

(4) Cooperating with appropriate local officials in evacuations and emergencies requiring mutual assistance and keeping these officials advised of:

- (i) The LNG plant fire control equipment, its location, and quantity of units located throughout the plant;
- (ii) Potential hazards at the plant, including fires;
- (iii) Communication and emergency control capabilities at the LNG plant; and,
- (iv) The status of each emergency.

William's O&M Plans & Procedures are inadequate in that they do not list local officials that affect the plant's safety, operations and security, and do not state the frequency these meetings are to be held.

8. §193.2017 Plans and procedures.

(c) Each operator must review and update the plans and procedures required by this part

(2) At intervals not exceeding 27 months, but at least once every 2 calendar years.

At the time of the inspection, the operator was unable to produce documentation to confirm that all sections of the plans and procedures were reviewed within the prescribed 27 month interval, but at least once every 2 calendar years.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 120103001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byron Coy", with a stylized flourish at the end.

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*